



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

RENAISSANCE HOSPITAL
C/O BURTON & HYDE PLLC
PO BOX 684749
AUSTIN TX 78768-4749

Respondent Name

NEW HAMPSHIRE INSURANCE COMPANY

Carrier's Austin Representative Box

Box Number 19

MFDR Tracking Number

M4-07-6509-01

MFDR Date Received

June 1, 2007

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "the fair and reasonable reimbursement amount for this hospital outpatient admission should be commensurate with the average amount paid by all insurance carriers in the Texas workers' compensation system in the same year as this admission for those admissions involving the same Principal Diagnosis Code and Principal Procedure Code."

Amount in Dispute: \$341.77

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Carrier paid fair and reasonable based upon proprietary usual and customary charge and reimbursement date from FairPay."

Response Submitted by: Flahive, Ogden & Latson, 504 Lavaca, Suite 1000, Austin, Texas 78701

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
January 12, 2007	Outpatient Hospital Services	\$341.77	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.1, effective May 2, 2006, 31 *Texas Register* 3561, requires that, in the absence of an applicable fee guideline, reimbursement for health care not provided through a workers' compensation health care network shall be made in accordance with subsection §134.1(d) which states that "Fair and reasonable reimbursement: (1) is consistent with the criteria of Labor Code §413.011; (2) ensures that similar procedures provided in similar circumstances receive similar reimbursement; and (3) is based on nationally recognized published studies, published Division medical dispute decisions, and values assigned for services involving similar work and resource commitments, if available."

3. Texas Labor Code §413.011(d) requires that fee guidelines must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fee charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual's behalf. It further requires that the Division consider the increased security of payment afforded by the Act in establishing the fee guidelines.
4. U.S. Bankruptcy Judge Michael Lynn issued a "STIPULATION AND ORDER GRANTING RELIEF FROM AUTOMATIC STAY TO PERMIT CONTINUANCE AND ADJUDICATION OF DISPUTED WORKERS COMPENSATION CLAIMS BEFORE THE TEXAS STATE OFFICE OF ADMINISTRATIVE HEARINGS," dated August 27, 2010, in the case of *In re: Renaissance Hospital – Grand Prairie, Inc. d/b/a/ Renaissance Hospital – Grand Prairie, et al.*, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division in Case No. 08-43775-7. The order lifted the automatic stay to allow continuance of the claim adjudication process as to the workers' compensation receivables before SOAH, effective October 1, 2010. The order specified John Dee Spicer as the Chapter 7 trustee of the debtor's estate. By letter dated October 5, 2010, Mr. Spicer provided express written authorization for Cass Burton of the law office of Burton & Hyde, PLLC, PO Box 684749, Austin, Texas 78768-4749, to be the point of contact on Mr. Spicer's behalf relating to matters between and among the debtors and the Division concerning medical fee disputes. The Division will utilize this address in all communications with the requestor regarding this medical fee dispute.
5. By letter dated August 2, 2011, the attorney for the requestor provided *REQUESTOR'S AMENDED POSITION STATEMENT (RENAISSANCE HOSPITAL – GROVES)* that specified, in pertinent parts, an "Additional Reimbursement Amount Owed" of \$163.51 and an "alternative" "Additional Reimbursement Amount Owed" of \$352.32. The Division notes that the amount in dispute of \$341.77 specified above is the original amount in dispute as indicated in the requestor's *TABLE OF DISPUTED SERVICES* submitted prior to the *REQUESTOR'S AMENDED POSITION STATEMENT*.
6. The services in dispute were reduced/denied by the respondent with the following reason codes:
 - 112-003 – THE PRIMARY PROVIDER IS A NON-CONTRACTED PROVIDER.
 - 113-011 – OTHER IMPORT RE-PRICING COMPLETED BY FAIRPAY
 - 113-031 – EXPORT/IMPORT RE-PRICING EXPLANATION 1: S01 Pursuant to Texas Labor Code 413.011 and other applicable statutes this bill has been reviewed to a standard of reasonableness based on current industry benchmarks of typical reimbursement for comparable services in your geographical area.
 - 113-035 – EXPORT/IMPORT RE-PRICING EXPLANATION 5: The charges have been reviewed by FairPay Solutions, Inc. For questions regarding this analysis, contact FairPay Solutions Customer Service at 888-380-5616.
 - 113 – ANY OTHER REDUCTION WAS DETERMINED BY THE EXTERNAL VENDOR ALL NEGOTIATED REDUCTIONS FOR THE WHOLE BILL ARE APPLIED TO THE FIRST LINE WITH AN ALLOWANCE AMOUNT.
 - 147 – Provider contracted/negotiated rate expired or not on file.
 - 45 – Charges exceed your contracted/legislated fee arrangement.
 - 45 – Charges exceed your contracted/legislated fee arrangement. The charges have been reviewed by FairPay Solutions, Inc. For questions regarding this analysis, contact FairPay Solutions Customer Service at 888-380-5616.
 - 45 – Charges exceed your contracted/legislated fee arrangement. ALL NEGOTIATED REDUCTIONS FOR THE WHOLE BILL ARE APPLIED TO THE FIRST LINE WITH AN ALLOWANCE AMOUNT.
 - 45 – Charges exceed your contracted/legislated fee arrangement. S01 Pursuant to Texas Labor Code 413.011 and other applicable statutes this bill has been reviewed to a standard of reasonableness based on current industry benchmarks of typical reimbursement for comparable services in your geographical area.
 - 900 – BASED ON FURTHER REVIEW, NO ADDITIONAL ALLOWANCE IS WARRANTED.
 - 960-001 – REPRICING BY FAIR PAY SOLUTIONS. FOR QUESTIONS CALL 888-380-5616

Findings

1. The insurance carrier reduced or denied disputed services with reason codes 45 – "Charges exceed your contracted/ legislated fee arrangement. . . . The charges have been reviewed by FairPay Solutions, Inc. For questions regarding this analysis, contact FairPay Solutions Customer Service at 888-380-5616. . . . ALL NEGOTIATED REDUCTIONS FOR THE WHOLE BILL ARE APPLIED TO THE FIRST LINE WITH AN ALLOWANCE AMOUNT," and 113 – "ANY OTHER REDUCTION WAS DETERMINED BY THE EXTERNAL VENDOR ALL NEGOTIATED REDUCTIONS FOR THE WHOLE BILL ARE APPLIED TO THE FIRST LINE WITH AN ALLOWANCE AMOUNT." However, the insurance carrier also reduced or denied disputed services with reason codes 147 – "Provider contracted/negotiated rate expired or not on file," and 112-003 – "THE PRIMARY PROVIDER IS A NON-CONTRACTED PROVIDER." Review of the submitted information found no documentation to support that the disputed services are subject to a contractual fee arrangement between the parties to this dispute. The above denial reasons are not supported. Therefore, the disputes services will be reviewed per applicable Division rules and fee guidelines.

2. The respondent's supplemental response asserts that "Requestor's attempt to raise an entirely new rationale and new claim for a 'fair and reasonable' allowance for outpatient services must be denied." In support of this assertion, the respondent states "The time for staking out a position is during the informal initial bill submission and reconsideration process." No documentation was found to support the respondent's assertion that the requestor is limited to arguing at Medical Fee Dispute Resolution only those positions presented to the carrier during the bill submission and reconsideration process. The Division notes that while 28 Texas Administrative Code §133.307(d)(2)(B), 31 *Texas Register* 10314, prohibits the respondent from raising new denial reasons or defenses that were not presented to the requestor prior to the filing of the request for dispute resolution, no similar bar is set against the requestor. The respondent further states that "This unsolicited document does not qualify as a supplemental statement under Division rules . . . upon filing of its request for dispute resolution, Requestor was then required to provide a position statement which included Requestor's reasoning as to why its disputed fee should be paid in the amount claimed, how the Labor Code, Division rules and fee guidelines impact their claim and how the submitted documentation supported their position. Requestor did these things but not for these newly created positions. . . . Certainly, any requestor or respondent should be able to timely provide any supplemental responses and evidence to support its stated position. But, there is no rule which allows such a belated and complete change of position. . . . Requestor's entirely new claim found within its recent 'Amended' statement of position . . . is tardy by years and should not be considered." No documentation was found to support the respondent's assertion that the submitted information was untimely. While Division rules set timely filing limits for the initial request and response, there is no time limitation as to the submission of supplemental information. The Division notes that the medical fee dispute process has allowed, for many years, both parties to a dispute to submit additional information until the assigned medical dispute resolution officer begins adjudication of the dispute. The Division has previously stated in the adoption preamble to 28 Texas Administrative Code §133.307, 31 *Texas Register* 10314, that "The Division must be able to obtain relevant and necessary information in order to determine fundamental issues regarding fee disputes." The supplemental filings in the present dispute are directly related to the "fair and reasonable" fee reimbursement methodology at issue. Moreover, the requestor noted in its amended position statement that "it is necessary and proper to update the file because the Requestor has a new attorney of record after the health care provider was placed in bankruptcy." The respondent has had notice and opportunity to respond to all of the requestor's filings in this dispute, and has availed itself of the opportunity to do so. Therefore the supplemental information will be considered in this review.
3. 28 Texas Administrative Code §133.307(c)(2)(G), effective December 31, 2006, 31 *Texas Register* 10314, applicable to disputes filed on or after January 15, 2007, requires the requestor to provide "documentation that discusses, demonstrates, and justifies that the amount being sought is a fair and reasonable rate of reimbursement in accordance with §134.1 of this title (relating to Medical Reimbursement) when the dispute involves health care for which the Division has not established a maximum allowable reimbursement (MAR), as applicable." Review of the submitted documentation finds that:
- The requestor's amended position statement asserts that "the fair and reasonable reimbursement amount for this hospital outpatient admission should at least be commensurate with the average amount paid by all insurance carriers in the Texas workers' compensation system in the same year as this admission for those admissions involving the same Principal Diagnosis Code and Principal Procedure Code."
 - In support of the requested reimbursement methodology the requestor states that "Ordering additional reimbursement based on the average amount paid system-wide in Texas achieves effective medical cost control because it prevents overpayment... creates an expectation of fair reimbursement; and... encourages health care providers to continue to offer quality medical care to injured employees... Ordering additional reimbursement for at least the average amount paid for a hospital outpatient admission during the same year of service and involving the same Principal Diagnosis Code and Principal Procedure Code ensures that similar procedures provided in similar circumstances receive similar reimbursement... The average amount paid for similar admissions as put forward by the Requestor is based on a study of data maintained by the Division."
 - Review of the submitted medical bill and the submitted medical records finds no principal procedure code listed for the services in dispute.
 - Review of the submitted documentation finds insufficient information necessary to calculate a reimbursement amount under the methodology proposed by the requestor.
 - The requestor has not supported that payment of the requested amount would satisfy the requirements of Division rule at 28 TAC §134.1.

The request for additional reimbursement of \$163.51 is not supported. The requestor has not demonstrated or presented sufficient documentation to support that the additional amount sought is a fair and reasonable rate of reimbursement for the services in dispute.

Conclusion

The Division would like to emphasize that individual medical fee dispute outcomes rely upon the evidence presented by the requestor and respondent during dispute resolution, and the thorough review and consideration of that evidence. After thorough review and consideration of all the evidence presented by the parties to this dispute, it is determined that the submitted documentation does not support the reimbursement amounts sought by the requestor. The Division concludes that this dispute was not filed in the form and manner prescribed under Division rules at 28 Texas Administrative Code §133.307. The Division further concludes that the requestor failed to support its position that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is not entitled to additional reimbursement for the services involved in this dispute.

Authorized Signature

_____	<u>Grayson Richardson</u>	<u>October 9, 2013</u>
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party**.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.